

**NOTICE OF PUBLIC HEARING  
BAY AREA AIR QUALITY MANAGEMENT DISTRICT**

**PROPOSED AMENDMENTS TO DISTRICT REGULATION 3: FEES AND  
APPROVAL OF THE FILING OF A NOTICE OF EXEMPTION FROM CEQA**

Notice is hereby given that the Board of Directors of the Bay Area Air Quality Management District will conduct a public hearing on April 15, 2020, in the 1<sup>st</sup> floor Board Room, 375 Beale Street, San Francisco, California, at 9:30 a.m., or as soon thereafter as the matter may be heard, to receive testimony on proposed amendments to District Regulation 3: Fees.

Notice is also given that the Board of Directors will conduct a second public hearing on June 3, 2020, or as soon thereafter as the matter may be heard, to consider adoption of the proposed amendments to Regulation 3: Fees and to approve the filing of a Notice of Exemption from CEQA. California Health and Safety Code Section 41512.5 requires a district board, prior to adopting or revising fees applicable to emission sources that are not permitted, to hold a public hearing at least 30 days prior to the meeting of the district board at which the fees are adopted or revised. Fee Schedules L, Q, R, S, U, and V pertain to fees from these sources.

The proposed amendments to the District's fee regulation would be effective on July 1, 2020 and would increase fee revenue to allow the District to meet budgetary needs for the upcoming fiscal year ending (FYE) 2021.

The fee rates in the following Fee Schedules would be amended as follows: (1) 3.1% increase: Schedule B: Combustion of Fuels, Schedule D: Gasoline Transfer at Gasoline Dispensing Facilities, Bulk Plants & Terminals; Schedule E: Solvent Evaporating Sources, Schedule F: Misc. Sources (storage silos, abrasive blasting), and Schedule M: Major Stationary Source Fees; (2) 7% increase: Schedule G-3: Misc. Sources (metal melting, cracking units) and Schedule P: Major Facility Review Fees; (3) 8% increase: Schedule T: Greenhouse Gas Fees; (4) 9% increase: Schedule G-2: Misc. Sources (asphaltic concrete, furnaces), Schedule H: Semiconductor and Related Operations, Schedule I: Dry Cleaners, and Schedule N: Toxic Inventory Fees; (5) 15% increase: Schedule A: Hearing Board Fees, Schedule G-1: Misc. Sources (glass manufacturing, soil remediation), Schedule G-4: Misc. Sources (cement kilns, sulfur removal & coking units, acid manufacturing), Schedule K: Solid Waste Disposal Sites, Schedule S: Naturally Occurring Asbestos Operations, and Schedule W: Petroleum Refining Emissions Tracking Fees. The following specific fees in Regulation 3 would be increased by 3.1%: New and modified source filing fees, Emission banking fees, Regulation 2, Rule 9 Alternative Compliance Plan fees, Toxic inventory maximum fees, Permit to operate renewal processing fees, Exemption fees, Fee for Risk Reduction Plan, and Fee for Facility-Wide Health Risk Assessment.

In addition, the following additional amendments are proposed: Revise Section 3-327, Permit to Operate, Renewal Fees as follows: (1) A new fee for each facility subject to California Air Resource Board's (CARB's) Criteria Pollutant and Toxics Emissions Reporting (CTR) Regulation would be charged during permit renewal. As part of Assembly Bill 617 (AB 617), CARB recently adopted the CTR Regulation for the reporting of criteria air pollutants and toxic air contaminants for stationary sources. The District is tasked with implementing the CTR Regulation in the Bay Area and estimates costs of \$1.5 million per year. Staff is proposing tiered fees based on the number of permitted sources

at each facility, since the costs are commensurate with the number of sources at each facility. The maximum would be capped at \$50,000 per year. (2) A new community health impact fee would be charged during permit renewal to each permitted/registered facility. This fee would help cover the District's costs associated with CARB's AB 617 "Community Air Protection Program". The District is tasked with implementing AB 617 in the Bay Area and estimates costs of \$2.4 million per year in excess of direct funding from CARB. Staff is proposing a fee equal to 5.7% of the annual total permit/registration renewal fees for each facility with a maximum cap of \$70,000 per year. (3) Add references to Schedule W (Petroleum Refining Emissions Tracking Fees) and Schedule X (Major Stationary Source Community Air Monitoring Fees) since fees assessed during permit renewal are typically listed in this section.

To recover costs from administrative activities for managing Authority to Construct (A/C) permits, revise Section 3-330 to add a minimum A/C renewal fee, Section 3-330.1 to add a fee for requesting A/C renewal after the A/C expiration date, and Section 3-405 to add a fee for late start-up notifications of a source under an A/C within a year from the start-up date. Other Fee Schedule changes: Revise the language in Fee Schedule N (Toxic Inventory Fees) to clarify the methodology used by the District to calculate the facility's weighted toxic inventory, amend the language in Fee Schedule V (Open Burning) to reflect recent Regulation 5 amendments, and increase Fee Schedule D (Gasoline Transfer at Gasoline Dispensing Facilities, Bulk Plants and Terminals) and Fee Schedule E (Solvent Evaporating Sources) by 3.1%, even though cost recovery would have allowed a 7 to 9% increase, since this would affect many gasoline dispensing facilities and auto body shops, which are small businesses. The District is also exploring future options for an Accelerated Permitting Process fee that would require amendments to Regulation 3.

The District has determined that these amendments to Regulation 3 are exempt from provisions of the California Environmental Quality Act (Public Resources Code Section 21000 et seq.) pursuant to State CEQA Guidelines, Sections 15061, subd. (b)(3) and 15273. The amendments increase District fees that are used to meet District operating expenses. The amendments are administrative in nature, do not affect air emissions from any sources, and have no possibility of causing significant environmental effects. The District intends to file a Notice of Exemption pursuant to State CEQA Guidelines, Section 15062.

A copy of the proposed amendments may be viewed on the District's website at <http://www.baaqmd.gov/reg3>. Copies are also available by calling the Engineering Division at (415) 749-4990. Staff will accept written comments on the proposed amendments until May 8, 2020. Please direct comments or questions to Barry G. Young, Senior Advanced Projects Advisor, at (415) 749-4721, or electronically at [byoung@baaqmd.gov](mailto:byoung@baaqmd.gov).

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Bay Area Air Quality Management District